

EXECUTIVE SECRETARIAT

Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/EE0				
14	D/Pers				
15	D/OEA				
16	C/PAD/OEA				
17	SA/IA				
18	AO/DCI				
19	C/IPD/OIS				
20	WIO/EON		✓		
21					
22					
		SUSPENSE _____ Date			

Remarks:

CC: Paul ...
Not referred to DOC. Waiver

Executive Secretary
11/3/82
Date

THE WHITE HOUSE
WASHINGTON

82-124281

CABINET AFFAIRS STAFFING MEMORANDUM

DATE: 11-2-82 NUMBER: ----- DUE BY: -----

SUBJECT: Cabinet Council on Commerce and Trade Minutes

October 6 and October 13 meetings

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Baker	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	Clark	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Treasury	<input type="checkbox"/>	<input type="checkbox"/>	Darman (For WH Staffing)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>	Harper	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	Jenkins	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	Wheeler	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	Kudlow	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CEA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CCCT/Gunn	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CEQ	<input type="checkbox"/>	<input type="checkbox"/>	CCEA/Porter	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OSTP	<input type="checkbox"/>	<input type="checkbox"/>	CCFA/Boggs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCHR/Carleson	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCLP/Uhlmann	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCMA/Bledsoe	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCNRE/Boggs	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Attached for your information are the minutes of the October 6 and October 13 meetings of the Cabinet Council on Commerce and Trade.

Not referred to DOC. Waiver

RETURN TO:

☐ Craig L. Fuller
Assistant to the President
for Cabinet Affairs
456-2823

☒ Becky Norton Dunlop
Director, Office of
Cabinet Affairs
456-2800

MINUTES
CABINET COUNCIL ON COMMERCE AND TRADE
Meeting #43, October 6, 1982
8:45 a.m., Roosevelt Room

Attendees: The Vice President, Baldrige, Block, Wallas, Donovan, Lewis, McNamar, Davis, Rose, Feldstein, Harper, Cicconi, Cribb, Gunn, Garfinkel, Ms. Anderson and Ms. Dunlop

Mid-Term Planning Presentation I

Wendell W. Gunn, Executive Secretary of the Council, led a discussion on a draft mid-term planning report, covering the work of the CCCT, which, when completed, would be reported to the President by the CCCT at a subsequent CCCT meeting. The draft report included basic objectives in the commerce and trade areas, the source of which was a combination of transition reports, Mandate for Leadership, CCCT Secretariat suggestions, etc. Achievements to date against those objectives were listed and key issues and future agenda items for the CCCT were identified.

Action Taken: Several suggestions were made by the Council members as to modifications, additions and deletions and the Executive Secretary was directed to continue work with the CCCT Secretariat to prepare the final document for presentation to the President at a CCCT meeting to be scheduled for early November.

MINUTES
CABINET COUNCIL ON COMMERCE AND TRADE
Meeting #44, October 13, 1982
8:45 a.m., Roosevelt Room

Attendees: Baldrige, Block, Donovan, Brock, Macdonald, Wallis, Feldstein, Harper, Lovell, Sprinkle, Ballentine, Rose, Ms. Connor, Johnson, Cribb, Darman, Cicconi, Gunn, Garfinkel, McMin, Ms. Dunlop and Dr. Anderson

DISC

U.S. Trade Representative, William Brock reported to the Council on the status of the DISC dispute in the GATT. He urged the adoption of two standards to guide the Treasury in its analysis of DISC alternatives: (1) that any DISC substitute conform to GATT and, (2) that the tax burden currently borne by U.S. exporters would not be increased. Brock noted that Senate hearings on DISC would be held in early December and it was imperative for the Administration to develop a position on a DISC substitute before the hearings. Secretary Baldrige stated his view that the DISC was an important issue in the business community and that the Administration had gone on record as supporting an alternative which would provide benefits to exporters at least equivalent to those provided by the DISC. Treasury Under Secretary Sprinkel stated Treasury's view that the Administration should not commit itself on DISC prior to the development of the 1984 budget package. Secretary Baldrige responded that, because the Congress was under substantial pressure to pass a DISC substitute, it was important for the Administration to develop a position early enough to control the legislative process. Assistant to the President for Policy Development, Edwin Harper, expressed his view that the Administration needed to develop its position on the DISC prior to consideration of the 1984 budget package.

Action Taken: It was agreed unanimously that Treasury would analyze DISC alternatives and report its findings to the CCCT in four weeks, i.e., by November 10.

Update on Condition of Airline Industry

Assistant Secretary of Transportation Judith Connor reported on the economic condition on the airline industry. The industry suffered a \$656 million loss in the first quarter of 1982, but earned a \$54 million profit in the second quarter. The third quarter is expected to be weak despite a slight increase in traffic from 1981 third quarter levels. The fourth quarter performance is also likely to be weak as the industry will continue to suffer from over capacity. Assistant Secretary Connor noted that steps had been taken to ease the regulatory burden on the industry. The FAA has revised procedures for allocating landing slots and has eased regulations on the trading of landing slots between carriers.

Adjustment of Displaced Workers

Secretary of Labor Donovan and Under Secretary of Labor Malcolm Lovell, reported on the adjustment of displaced workers in the auto sector and related industries. It was reported that while 22 percent of auto and related workers experienced some unemployment during 1981, family incomes remained quite high -- in excess of \$24,000 on average. It was noted that nearly two-thirds of the 1980 work force did not experience any unemployment in either 1980 or 1981. For these workers, earnings and family incomes increased by about seven percent during that period. With respect to the long-term prospects for employment in the auto sector and related industries, it was reported that the 1980's may be worse for those permanently displaced than the previous decade. This, according to Secretary Donovan, is because there is in progress a secular shift from basic manufacturing industries to services and high technology industries. This shift has resulted in a growing mismatch between industry needs and workforce capabilities.

Action Taken: In recognition of the growing problem of displaced workers and the political pressure created thereby for saving sick industries, the CCCT directed the working group to study the problem of worker adjustment and make recommendations for government action. Specifically the working group is to make policy recommendations for the reemployment of such workers, seeking the advice of private industry and labor where appropriate.